

The amendment that I offer today builds on an amendment offered and passed in the committee during markup, which I participated in and which I voted for the amendments as well. It requires a GAO study to investigate the Affordable Housing Fund's effects on availability and affordability of credit for home buyers. That's what the amendment added to the bill.

Essentially the GAO study will tell if the costs of the funds are being passed on to home buyers. Some of us on this side of the aisle, many free market conservatives, believe that what is deemed the Affordable Housing Fund, the Housing Trust Fund, will be passed on straight to the mortgage consumers of America; in essence, a tax increase on those who have mortgages, especially middle income individuals.

My amendment takes what is in the bill and goes it one step further. If, as a result of the GAO's report, the Director of the Federal Housing Finance Agency determines that the Affordable Housing Fund is increasing mortgage costs for consumers, my amendment suspends the assessment of Freddie and Fannie. I think this is a healthy thing.

As the bill stands, Freddie and Fannie will allocate an amount equal to 1.2 basis points of their total portfolio to the fund for fiscal years 2007 through 2011. Over these 5 years, the fund will accumulate an estimated \$3 billion for the purposes of these housing initiatives. But Fannie and Freddie are publicly traded companies, and as someone who analyzed the economics of this, I'm concerned that a 1.2 basis point assessment of the total portfolio will simply be a 1.2 percent tax increase on those that have mortgages.

And what I want to make sure is those costs are not going to be passed on to the consumer. What I'm concerned about is that it will be a mortgage tax increase, and that is the reason why I have concerns about the housing fund as it now stands.

So what my amendment does is alleviate those concerns, and if my amendment passes, I think it would be far easier to accept the housing fund as it now stands, and that is my big concern with the bill.

I want to commend the chairman for putting in much-needed reforms to Fannie and Freddie and the government-sponsored enterprises, and we want to make sure that middle income Americans, middle income home buyers will be able to have affordable access to mortgages. That's what Fannie and Freddie are there for. We want to make sure that this does not raise and increase the cost of home buying.

I would ask my colleagues to support my simple amendment that would alleviate some concerns that we, on this side of the aisle, a few on this side of the aisle, have with this bill, and I encourage my colleagues to vote for it.

Mr. SCOTT of Georgia. Mr. Chairman, I move to strike the last word.

In response to the gentleman's amendment, let me just try to cut

through a lot of this to get to exactly why we oppose this amendment and why it's important. And again, this amendment is again designed to obliterate the program.

Now, it's very important for us to understand, we're dealing right now with a very volatile housing market. We're dealing with a situation where the subprime market has melted down. We're dealing with a situation where we've had record foreclosures. We're dealing with a situation where the area we're targeting this to go to first for the first year has suffered the worst natural disaster, where people are homeless as we speak.

There is a need for government. We have a constitutional responsibility to take care of the public interests. If there ever was a need for the public interest, it is needed in affordable housing. We do not need this kind of amendment that in effect does this, all the studying he may want to say, and I respect the gentleman from North Carolina. I do not question his motives, and I do not dislike him as a person. I just dislike greatly his amendment because his amendment goes, again, at the effort to cut this bill, which is totally designed for the least of us, for people that can't afford it, for people that need our help.

That's why we have this measure, and when you look at the marketplace, you cannot apply the activities of the free marketplace dealing with housing and put all of the convertibles you want to put on it as it applies to middle class or upper class individuals. We're not dealing with people with money. We're dealing with people that don't have any money. That's why we're providing this measure to them.

So that if your amendment goes into effect, in effect you will be requiring the Director to determine if the GSE's allocations to the fund will decrease the availability or affordability of credit to home buyers or will increase the costs to home buyers. If the Director determines that the GSE's allocation to the fund will decrease the availability or affordability of credit to the home buyer will increase the costs to the home buyers, the requirement to allocate amounts to the funds shall be terminated.

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All of that power you are putting arbitrarily into a person's hands to say, on his whim, kill the program, done with the program, based upon what he sees and what he says. That's why this bill, this amendment, must be defeated, and we recommend strongly a "no" vote on your amendment for that reason.

The Acting CHAIRMAN. The Committee will rise informally.

The SPEAKER pro tempore (Mr. AL GREEN of Texas) assumed the chair.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Ms. Curtis, one of its clerks, an-

nounced that the Senate has passed with an amendment in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 1495. An act to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes.

H.R. 2206. An act making emergency supplemental appropriations and additional supplemental appropriations for agricultural and other emergency assistance for the fiscal year ending September 30, 2007, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 1495) "An Act to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and that on May 17, appoints Mrs. BOXER, Mr. BAUCUS, Mr. LIEBERMAN, Mr. CARPER, Mrs. CLINTON, Mr. LAUTENBERG, Mr. INHOFE, Mr. WARNER, Mr. VOINOVICH, Mr. ISAKSON, and Mr. VITTER, to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 2206) "An Act making emergency supplemental appropriations and additional supplemental appropriations for agricultural and other emergency assistance for the fiscal year ending September 30, 2007, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD, Mr. INOUE, Mr. REID, Mr. COCHRAN and, Mr. MCCONNELL, to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of committee of conference accompanying the bill (S. Con. Res. 21) entitled "Concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2008 and including the appropriate budgetary levels for fiscal years 2007 and 2009 through 2012."

The SPEAKER pro tempore. The Committee will resume its sitting.

FEDERAL HOUSING FINANCE REFORM ACT OF 2007

The Committee resumed its sitting.

Mr. NEUGEBAUER. Mr. Chairman, I move to strike the last word, and I yield to the gentleman from North Carolina.

Mr. MCHENRY. Mr. Chairman, I thank my colleague from Texas for yielding. I want to thank my colleague across the aisle for his informative discussion. I respect him immensely. I appreciate him laying out his arguments against my amendment.